

RESPONSE TO MS BRADSHAW'S OBJECTION TO MY MOTION

Ms Bradshaw Claims: During the period when Busche and Debtor lived together, they were supported exclusively by Busche's salary, housing allowance, or earnings on the funds that Debtor was purportedly managing. Busche also paid for Ashna's U.K. boarding school from 2009 to 2012 as well as private school in Hong Kong from 2006 to 2009.

This is far from the truth, in fact Mr. Busche did not work from March 2009 until December 2013 (the last day I saw him) – he was unemployed most of the years I knew Mr. Busche. He certainly did not pay for my school – my grandmother did. If he insists on this claim, can he please produce a bill payment for my school?

Ms Bradshaw Claims: Debtor transferred an amount between U.S.\$3,000,000 and U.S.\$5,000,000 from a joint HSBC account in Hong Kong to an HSBC Montgomery Partners Ltd. Account in Hong Kong and to a New York based account under Debtor's exclusive control.

Again, far from the truth. Attached are the SEC filings for the income he made in the years 2006 – 2009 he worked less than 3 years. I do not understand how he managed to get away with the blatant lie with the courts. He is completely dishonest with his facts. Please see attached Appendix A showing his total earnings and SEC filings.

As I requested in my original petition, Under New York Banking Law § 675: All joint bank accounts which have two or more owners. Each owner has the full right to withdraw, deposit, and otherwise manage the account's funds. While some banks may label one person as the primary account holder, that doesn't change the fact everyone owns everything—together.

*** Which implies all deposits and withdrawals were half mine – and I have full right to half the funds in the account.**

Ms Bradshaw Claims: Moreover, the Chase Account funds must not be turned over to Ashna at this point because Ashna is an insider, and further discovery is necessary to determine the extent, if any, to which Ashna might have colluded in, aided, or abetted the documented and alleged fraudulent activities of Debtor, which may provide a basis for denial of dischargeability.

Again, Ms Bradshaw's claim is baseless. I am a joint account holder and entitled to half of the monies in the account. Being the debtor's daughter does not take my rights on the money.

Ms Bradshaw Claims: MOTION TO RELEASE FUNDS TO NON-DEBTOR SHOULD BE DENIED.

1. As demonstrated by the foregoing narrative, Debtor has a history of fraudulent transfer, evasion, misappropriation of funds, and abuse of the system.

This is far from the truth, even if where true, debtors' history has nothing to do with my rightful ownership of funds. Completely Irrelevant.

2. Upon information and belief, Ashna is a non-Debtor acting in concert with Debtor who might be liable to the Trustee on account of possession or diversion of property of the bankruptcy estate.

This is far from the truth, given I have ownership of this account for 6 years, and “might be” is a clear speculation on MS Bradshaw’s part – I thought as a lawyer she was trained to say facts and not speculate.

4. As previously recited, as of on or about March 1, 2016 Ashna was a signatory to the Morgan Stanley account of GPL, an alter ego of Debtor. See Exhibit C.

Irrelevant in this in the matter.

5. Debtor assigned occupancy of the storage units with Maya Properties LLC d/b/a Moishe’s Self Storage and ownership of the goods therein to Ashna on December 30, 2022, the day before the Petition Date. See Exhibit E.

Again, Ms Bradshaw does not read her own exhibits, it clearly shows that I was the owner since August 2022. I had given my mom co-ownership. But she took most of her stuff from the locker and gave me the ownership as I was departing to India for a 1 year.

I happily gave access to my storage lockers to the trustee for inspection (even though I had no obligation to do so) and the found that it had all my belongings in there.

I have noticed one common theme in all of this, Mr Busche has a personal agenda against my mother, Ma Madhu Grover, he has been harassing her for over 10 years now. He keeps bringing baseless claims to destroy her.

6. According to the SOFA [DOC 9], Debtor made payments to insider Ashna in the aggregate amount of U.S.\$4,000.00 on each of December 29, 2022 and December 30, 2022, immediately prior to the Petition Date.

Under New York Banking Law § 675: All joint bank accounts which have two or more owners. Each owner has the full right to withdraw, deposit, and otherwise manage the account's funds. While some banks may label one person as the primary account holder, that doesn't change the fact everyone owns everything—together. I had full rights to these funds as they are jointly owned by me since 2016. To the extend its listed as a insider transfer to me – it was done to be fully transparent to the court. Since it went from my joint account to my single account, council MS Woods suggested we should spell that out.

7. On or about April 29, 2019, Debtor filed Articles of Organization for the New York Domestic Limited Liability Company under the name of ASMG Consulting LLC. See Exhibit F. According to Debtor’s SOFA [DOC 9] and testimony at the 341 Meeting, Debtor is fifty percent (50%) owner of ASMG together with Ashna, pursuant to a transfer of Membership interest on or about January 1, 2022, within a year before the Petition Date.

Again, Ms Bradshaw’s misrepresentation is appalling. I was always a 40% owner since inception of the company - the trustee and Ms Bradshaw has all the incorporation documentation that documentation. I got to 50% (10% more) with my grandmothers share.

8. Debtor testified at the 341 Meeting that ASMG revenue was deposited into the Chase Account as well as Debtor’s and Ashna’s individual income. Furthermore, the SOFA recites at Part 9:

Nearly all Deposits into JP Morgan Chase Joint Bank Account were made to the LLC for work performed by the business. Not property of the Debtor.

Deposits into JP Morgan Joint Bank Account - to the extent that ASMG does not own the deposits, half each belongs to Ashna and Madhu.

Exactly why I should have at least half of the assets.

9. Debtor's history of fraud, misappropriation, serial transfer, and concealment of funds, and investigation into the extent to which Ashna is implicated in such activities, necessitate substantial discovery from the Debtor and affiliated individuals and entities pursuant to the 2004 Order. The transactions and issues involved are complex, intertwined, and international in scope. The Trustee, Creditor, and Co-Creditors should be allowed the time required for such discovery, and in the meantime, to avoid prejudice to the estate, Creditor, and Co-Creditors, the restraint on the Chase Account should be continued.

Baseless and speculative again. Despite that, the trustee and Ms Bradshaw has had 4.5 months to do this – I have been patiently waiting for months for money which is rightfully mine. This is a simple abuse of the system.

CONCLUSION

I should be granted Access to my money ASAP.

ASHNA SHAH GROVER

APPENDIX A Follows:

THE TRUE AND INCONTROVERTIBLE FACTS

1. I knew Mr Busche from years 2006 - 2013
2. Mr Busche was unemployed from April 2009
3. His true income is disclosed in the SEC filings (as he was an officer in a public company) attached in the email.

Compensation of James Busche while CEO of KHD Humboldt

All Figures in USD

James Busche

Appointed CEO effective March 7, 2006. Employment agreement provides for \$10,000 monthly salary and "other compensation" as determined by board. Employment ended April 13, 2009.

2006

Salary paid	102,069
Bonus paid	-
Other paid	-
Total paid	102,069

Notes

No options granted to James Busche

2007

Salary paid	120,000
Bonus paid	100,000
Other paid	9,152
Total paid	229,152

Notes

No options granted to James Busche

2008

Salary paid	130,000
Bonus paid	120,000
Other paid	90,067
Total paid	340,067

Notes

No options granted to James Busche

2009

Salary paid	30,000
Bonus paid	-
Other paid	37,080
Total paid	67,080

Notes

No options granted to James Busche

Mr. Busche ceased to hold the position of President and Chief Executive Officer effective April 13, 2009.

As you can clearly see his total compensation was \$738,368 for the period of 9 years.

Family Relationships

There are no family relationships between any of our directors, executive officers and proposed directors or executive officers.

B. Compensation

During the fiscal year ended December 31, 2009, we paid an aggregate of approximately \$3.2 million in cash compensation to our directors and officers, excluding directors' fees. No other funds were set aside or accrued by our company during the fiscal year ended December 31, 2009 to provide pension, retirement or similar benefits for our directors or officers pursuant to any existing plan provided or contributed to by us.

Executive Compensation

The following table provides a summary of compensation paid by us during the fiscal year ended December 31, 2009 to the senior management of our company:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Share- Based Awards (\$)	Option- Based Awards (\$)	Non-equity Incentive Compensation Plan Compensation (\$)		Pension Value (\$)	All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long- Term Incentive Plans			
Michael J. Smith(1) Non-Executive Chairman and Director	2009	222,250	—	—	—	—	—	164,398	386,648
Jouni Salo(2) President, Chief Executive Officer and former Chief Operating Officer	2009	490,952	—	—	314,594	—	—	16,504	822,050
James Busche(3) Former Chief Executive Officer and President	2009	30,000	—	—	—	—	—	202,680 ⁽⁶⁾	232,680 ⁽⁶⁾
Alan Hartsliet(4) Chief Financial Officer and Secretary	2009	297,901	—	—	322,015	—	43,524	186,200	849,640
James Purkis(5) Chief Operating Officer	2009	331,020	—	—	211,444	—	—	64,128	606,592
George Zimmerman Senior Vice President	2009	254,892	—	—	—	—	—	76,500 ⁽⁷⁾	331,392

(1) Mr. Smith resigned as our President and Chief Executive Officer effective March 7, 2006, our Chief Financial Officer effective October 16, 2007 and our Secretary effective March 1, 2008.

(2) Mr. Salo was appointed as our Chief Operating Officer effective November 1, 2008 and, effective April 13, 2009, he was appointed as our President and Chief Executive Officer. He resigned as Chief Operating Officer effective August 12, 2009.

(3) Mr. Busche ceased to hold the position of President and Chief Executive Officer effective April 13, 2009.

(4) Mr. Hartsliet was appointed our Chief Financial Officer effective October 16, 2007 and our Secretary effective March 1, 2008.

(5) Mr. Purkis was appointed the President of our Construction Division effective June 1, 2008, Executive Vice-President effective November 1, 2008, and Chief Operating Officer effective August 12, 2009. Mr. Purkis has notified us that he intends to resign as our Chief Operating Officer effective May 31, 2010.

(6) Includes \$165,600 paid to Montgomery Partners Limited.

(7) Includes \$66,638 of long-term deferred compensation.

E. Share Ownership

There were 30,259,911 common shares, 441,664 stock options and no share purchase warrants issued and outstanding as of March 26, 2010. Of the shares issued and outstanding on that date, our directors and officers owned the following common shares:

Name Office Held	Number of Common Shares Beneficially Owned	Percentage	Number of Stock Options to Purchase Common Shares
Michael J. Smith(1) Non-Executive Chairman and Director	Nil	Nil	Nil
Jouni Salo(2) Chief Executive Officer and President	Nil	Nil	Nil
James Busche(3) Former Chief Executive Officer and President	Nil	Nil	Nil
Alan Hartsliel(4) Chief Financial Officer and Secretary	Nil	Nil	Nil
James Purkis(5) Chief Operating Officer	Nil	Nil	Nil
George Zimmerman Senior Vice President	Nil	Nil	16,668, exercise price of \$13.06 per share, expiry date of May 17, 2016; 33,334, exercise price of \$26.85 per share, expiry date of May 17, 2017 33,332, exercise price of \$31.81 per share, expiry date of May 19, 2018
Dr. Shuming Zhao Director	Nil	Nil	Nil
Gerhard Rolf(6) Director	Nil	Nil	Nil
Dr. Kelvin K. Yao(7) Director	Nil	Nil	Nil
Silke Stenger Director	Nil	Nil	Nil
Indrajit Chatterjee Director	Nil	Nil	Nil

- (1) Mr. Smith resigned as our President and Chief Executive Officer effective March 7, 2006, our Chief Financial Officer effective October 16, 2007 and our Secretary effective March 1, 2008.
- (2) Mr. Salo was appointed as the President of our company effective April 13, 2009 and as President of our Cement Division effective May 1, 2008. Mr. Salo was our Chief Operating Officer from November 1, 2008 until August 12, 2009.
- (3) Mr. Busche ceased to hold the position of President and Chief Executive Officer effective April 13, 2009.
- (4) Mr. Hartsliel was appointed our Chief Financial Officer effective October 16, 2007 and our Secretary effective March 1, 2008.
- (5) Mr. Purkis was appointed the President of our Construction Division effective June 1, 2008, Executive Vice-President effective November 1, 2008, and Chief Operating Officer effective August 12, 2009. Mr. Purkis has notified us that he intends to resign as our Chief Operating Officer effective May 31, 2010.
- (6) Mr. Rolf was appointed as a director of our company effective May 1, 2009.
- (7) Dr. Yao resigned as a director of our company effective May 1, 2009.

[Table of Contents](#)*Indrajit Chatterjee — Director*

Mr. Chatterjee has been a director of our company since 2005. Mr. Chatterjee is a retired businessman who was formerly responsible for marketing with the Transportation Systems Division of General Electric for India. Mr. Chatterjee is experienced in dealing with Indian governmental issues.

Family Relationships

There are no family relationships between any of our directors, or executive officers.

B. Compensation

During the fiscal year ended December 31, 2008, we paid an aggregate of approximately \$3.0 million in cash compensation to our directors and officers, excluding directors' fees. No other funds were set aside or accrued by our company during the fiscal year ended December 31, 2008 to provide pension, retirement or similar benefits for our directors or officers pursuant to any existing plan provided or contributed to by us.

Executive Compensation

The following table provides a summary of compensation paid by us during the fiscal year ended December 31, 2008 to the senior management of our company:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Share- Based Awards (\$)	Option- Based Awards (\$)(1)	Annual Incentive Plans (\$)	Long- Term Incentive Plans (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Cash Compensation (\$)	Total Compensation (\$)
Michael J. Smith(2) Chairman and Director	2008	30,046	—	—	140,000	—	—	393,534(3)	563,580	563,580
James Busche(4) Chief Executive Officer and President	2008	310,000	—	—	120,000	—	—	90,067	520,067	520,067(5)
Alan Hartsliet(6) Chief Financial Officer and Secretary	2008	314,127	—	—	—	—	—	222,912	537,039	537,039
Jouni Salo(7) Chief Operating Officer	2008	141,345	—	242,550(8)	—	—	—	243,576	384,921	627,471
George Zimmerman Senior Vice President	2008	250,948	—	552,500(9)	—	87,744	—	10,389	349,081	901,581
Rudolf Pich Vice President — Sales and Marketing	2008	228,251	—	552,500(10)	—	58,496	—	15,640	302,387	854,887
Hermann Kroger(11) Vice President — Engineering	2008	224,098	—	552,500(12)	43,872	43,872	—	11,773	323,615	876,115

- (1) The fair value of the stock-based compensation is determined by using the Black-Scholes model, with the following assumptions: a weighted average expected life of 3.0 years, expected volatility of 47.48% to 48.24%, risk-free interest rates of 3.09% to 3.24% and expected dividend yield of 0%.
- (2) Mr. Smith resigned as our President and Chief Executive Officer effective March 7, 2006, our Chief Financial Officer effective October 16, 2007 and our Secretary effective March 1, 2008.
- (3) Including a consultant fee of \$230,000.
- (4) Mr. Busche was appointed our Chief Executive Officer effective March 7, 2006.
- (5) Includes \$180,000 paid to Montgomery Partners.
- (6) Mr. Hartsliet was appointed our Chief Financial Officer effective October 16, 2007 and our Secretary effective March 1, 2008.
- (7) Mr. Salo was appointed as the President of our Cement Division effective May 1, 2008 and was named our Chief Operating Officer effective November 1, 2008.

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recommends changes or additions to those plans and reports to our board of directors on compensation matters. Our Chief Executive Officer does not vote upon or participate in the deliberations regarding his compensation.

Effective July 15, 2005, we formed a nominating and corporate governance committee. The nominating and corporate governance committee currently consists of Silke Stenger, Dr. Shuming Zhao, Dr. Kelvin K. Yao and Indrajit Chatterjee. The nominating and corporate governance committee operates pursuant to a charter adopted by our board of directors. A copy of our nominating and corporate governance charter is attached as Exhibit 99.3 to our annual report filed with the Securities and Exchange Commission on April 3, 2007. The primary function of the nominating and corporate governance committee is to assist our board of directors in developing our approach to corporate governance issues and monitoring performance against the defined approach. The nominating and corporate governance committee is also responsible for the nomination of directors by identifying and reporting on candidates to be nominated to our board of directors.

D. Employees

As at March 16, 2009, we employed 1,196 people. At December 31, 2008, 2007 and 2006, we employed approximately 1,270, 1,224 and 1,074 people, respectively. Approximately 75% of the 465 employees of our subsidiary in Cologne, Germany, KHD Humboldt Wedag GmbH, are subject to a collective bargaining agreement.

E. Share Ownership

There were 30,522,645 common shares, 1,579,720 stock options and no share purchase warrants issued and outstanding as of March 16, 2009. Of the shares issued and outstanding on that date, our directors and officers owned the following common shares:

Name Office Held	Number of Common Shares Beneficially Owned	Percentage(1)	Number of Stock Options to Purchase Common Shares
Michael J. Smith(2) Chairman and Director	Nil	Nil	Nil
James Busche(3) Chief Executive Officer and President	Nil	Nil	Nil
Alan Hartslief(4) Chief Financial Officer and Secretary	Nil	Nil	50,000, exercise price of \$31.28, expiry date of December 4, 2017
Jouni Salo(5) Chief Operating Officer	Nil	Nil	22,500, exercise price of \$30.89 per share, expiry date of May 15, 2018
George Zimmerman Senior Vice President	Nil	Nil	16,668, exercise price of \$13.06 per share, expiry date of May 17, 2016; 33,334, exercise price of \$26.85 per share, expiry date of May 17, 2017
Rudolf Pich Vice President, Sales and Marketing	Nil	Nil	50,000, exercise price of \$31.81 per share, expiry date of May 19, 2018 16,668, exercise price of \$13.06 per share, expiry date of May 17, 2016; 33,334, exercise price of \$26.85 per share, expiry date of May 17, 2017 50,000, exercise price of \$31.81 per share, expiry date of May 19, 2018

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Executive Compensation

The following table provides a summary of compensation paid by us during the fiscal year ended December 31, 2007 to the senior management of our company:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Annual Compensation ⁽¹⁾		Long Term Compensation		All other Compensation
	Salary	Bonus	Other Annual Compensation	Securities Under Options/SARs Granted	
Michael J. Smith ⁽²⁾ Chairman and Director	\$240,000	\$100,000	Nil	Nil	\$134,953
James Busche ⁽³⁾⁽⁴⁾ Chief Executive Officer and President	\$120,000	\$100,000	Nil	Nil	\$9,152
Alan Hartsliet ⁽⁵⁾ Chief Financial Officer and Secretary	\$47,271	Nil	Nil	50,000 ⁽⁶⁾	Nil
George Zimmerman Senior Vice President	\$312,411	Nil	\$15,051	50,000 ⁽⁷⁾	\$17,353
Hermann Kroger Vice President, Engineering	\$247,184	\$34,172	\$14,818	50,000 ⁽⁷⁾	\$17,526
Rudolf Pich Vice President, Sales and Marketing	\$264,516	Nil	\$14,818	50,000 ⁽⁷⁾	\$21,614

- (1) On a cash basis, unless otherwise stated.
- (2) Mr. Smith resigned as our President and Chief Executive Officer effective March 7, 2006, our Chief Financial Officer effective October 16, 2007 and our Secretary effective March 1, 2008.
- (3) Mr. Busche was appointed our Chief Executive Officer effective March 7, 2006.
- (4) Does not include any amounts paid to Montgomery Partners.
- (5) Mr. Hartsliet was appointed our Chief Financial Officer effective October 16, 2007 and our Secretary effective March 1, 2008.
- (6) Represents stock options with an exercise price of \$31.28 per share until December 4, 2017.
- (7) Represents stock options with an exercise price of \$26.85 per share until May 17, 2017.

Directors' Compensation

Our non-management directors receive \$30,000 annually for their services and \$750 for each meeting of directors that they attend. We also reimburse our directors and officers for expenses incurred in connection with their services as our directors and officers.

Employment Agreements and Termination of Employment or Change of Control

Effective March 1, 2008, we entered into an independent consulting agreement with Michael Smith, our Chairman, pursuant to which he will provide consulting services to our company. The agreement is for an indefinite term. Mr. Smith will be paid a consulting fee and other compensation as is mutually agreed to by him and our Compensation Committee, which fee is to be reviewed annually. His current monthly fee is \$20,000. Mr. Smith will also be entitled to earn a bonus in the amount agreed to by him and our Compensation Committee upon the achievement of certain performance targets. In the event that the agreement is terminated by us or in the event of a change of control, Mr. Smith is entitled to receive a termination payment equal to the sum of three times the aggregate consulting fee paid to Mr. Smith in the previous twelve months plus the higher of his current bonus or the highest bonus received by him in the previous five years prior to such termination. In addition, all unvested rights in any stock options or other equity awards made to Mr. Smith will vest in full in the event of a change of control. Mr. Smith will also be entitled, for a period of 365 days following the earlier of the date of the termination of the agreement and the date of the change of control, to require us to purchase all or any part of our common shares held

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the board of directors. The compensation committee is responsible for reviewing and approving annual salaries, bonuses and other forms and items of compensation for the senior officers and employees of our company. Except for plans that are, in accordance with their terms or as required by law, administered by our board of directors or another particularly designated group, the compensation committee also administers and implements all of our stock option and other stock-based and equity-based benefit plans (including performance-based plans), recommends changes or additions to those plans and reports to our board of directors on compensation matters. Our Chief Executive Officer does not vote upon or participate in the deliberations regarding his compensation.

Effective July 15, 2005, we formed a nominating and corporate governance committee. The nominating and corporate governance committee currently consists of Silke Brossmann, Dr. Shuming Zhao, Dr. Kelvin K. Yao and Indrajit Chatterjee. The nominating and corporate governance committee operates pursuant to a charter adopted by our board of directors. A copy of our nominating and corporate governance charter is attached as Exhibit 99.3 to our annual report filed with the Securities and Exchange Commission on April 3, 2007. The primary function of the nominating and corporate governance committee is to assist our board of directors in developing our approach to corporate governance issues and monitoring performance against the defined approach. The nominating and corporate governance committee is also responsible for the nomination of directors by identifying and reporting on candidates to be nominated to our board of directors.

Comparison of NYSE Corporate Governance Rules

Under the amended Corporate Governance Rules of NYSE, foreign issuers, including our company, listed on the NYSE are required to disclose a summary of the significant differences between their domestic corporate governance rules and NYSE corporate governance rules that would apply to a U.S. domestic issuer. We have posted a description of such differences on our website:

http://media.corporate-ir.net/media_files/irol/92/92949/NYSE__Corp__Governance.pdf

E. Employees

As at March 15, 2008, we employed 1,274 people. At December 31, 2007, 2006 and 2005, we employed approximately 1,224, 1,074 and 847 people, respectively. Approximately 75% of the 452 employees of our subsidiary in Cologne, Germany, KHD Humboldt Wedag GmbH, are subject to a collective bargaining agreement.

F. Share Ownership

There were 30,234,237 common shares, 1,498,888 stock options and no share purchase warrants issued and outstanding as of March 15, 2008. Of the shares issued and outstanding on that date, our directors and officers owned the following common shares:

Name Office Held	Number of Common Shares Beneficially Owned	Percentage(1)	Number of Stock Options to Purchase Common Shares
Michael J. Smith(2) Chairman and Director	170,000	*%	110,000, exercise price of \$13.06, expiry date of May 17, 2016
James Busche(3) Chief Executive Officer and President	Nil	Nil	Nil
Alan Hartsliëf(4) Chief Financial Officer and Secretary	Nil	Nil	50,000, exercise price of \$31.28, expiry date of December 4, 2017
Dr. Shuming Zhao Director	Nil	Nil	Nil
Dr. Kelvin K. Yao Director	Nil	Nil	Nil
Silke Brossmann Director	Nil	Nil	Nil
Indrajit Chatterjee Director	Nil	Nil	Nil

* Less than one percent (1%)

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Society of Cataract and Intra-ocular Lens, the Vice Board Director of the Society of Ophthalmology, Zhejiang Provincial Branch of the Chinese Medical Association, and the Head of the Committee of Academic Degrees of the Medical Branch of Zhejiang University. Dr. Yao is also a board member of the Chinese Medical Academy Institute and the board director of several Chinese ophthalmic publications.

Silke Brossmann — Director

Ms. Brossmann has been a director of our company since 2003. She was a director of Cathay Merchant Group, Inc. from October 26, 2004 to December 4, 2006, a public company with its common shares registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934. Ms. Brossmann was the Head of Investor Relations with Prokurist and Head of Central Administration of Koidl & Cie. Holding AG from 1999 to 2002. Ms. Brossmann has been an independent management consultant since 2002.

Indrajit Chatterjee — Director

Mr. Chatterjee has been a director of our company since 2005. Mr. Chatterjee is a retired businessman who was formerly responsible for marketing with the Transportation Systems Division of General Electric for India. Mr. Chatterjee is experienced in dealing with Indian governmental issues.

B. Compensation

During the fiscal year ended December 31, 2006, we paid an aggregate of approximately \$1.6 million in cash compensation to our directors and officers. There was no stock options exercised by such directors and officers or other non-cash compensation. No other funds were set aside or accrued by our company during the fiscal year ended December 31, 2006 to provide pension, retirement or similar benefits for our directors or officers pursuant to any existing plan provided or contributed to by us.

Executive Compensation

The following table provides a summary of compensation paid by us during the fiscal year ended December 31, 2006 to the senior management of our company:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Long Term Compensation				
	Annual Compensation(1)		Securities Under		
	Salary	Bonus	Other Annual Compensation	Options/SARs Granted	All other Compensation
Michael J. Smith(2) Chairman, Chief Financial Officer, Secretary and Director	\$268,887	Nil	Nil	55,000(4)	\$130,514
James Busche(3) Chief Executive Officer and President	\$102,069	Nil	Nil	Nil	Nil
George Zimmerman Senior Vice President	\$281,342	Nil	\$35,593	25,000(4)	\$32,385
Hermann Kroger Vice President, Engineering	\$216,607	\$35,593	\$34,169	25,000(4)	\$28,357
Rudolf Pich Vice President, Sales and Marketing	\$232,746	Nil	\$35,593	25,000(4)	\$29,210

(1) On a cash basis, unless otherwise stated.

(2) Mr. Smith resigned as our President and Chief Executive Officer effective March 7, 2006.

(3) Mr. Busche was appointed our Chief Executive Officer effective March 7, 2006.

(4) Represents stock options granted effective May 17, 2006 with an exercise price of U.S.\$26.11 per share until May 17, 2016. The options have vesting periods from one to three years.

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Our board of directors has established an audit committee. Our audit committee currently consists of Shuming Zhao, Kelvin K. Yao and Silke Brossmann. The audit committee operates pursuant to a charter adopted by the board of directors. A copy of our audit committee charter is attached as Exhibit 99.1 to our annual report filed with the Securities and Exchange Commission on April 3, 2006. The audit committee is appointed and generally acts on behalf of the board of directors. The audit committee is responsible primarily for monitoring: (i) the integrity of our financial statements; (ii) compliance with legal and regulatory requirements; and (iii) the independence and performance of our internal and external auditors. The audit committee also oversees our company's financial reporting process and internal controls and consults with management and our independent auditors on matters related to its annual audit and internal controls, published financial statements, accounting principles and auditing procedures being applied.

Our board of directors has established a compensation committee. Our compensation committee currently consists of Shuming Zhao, Dr. Kelvin K. Yao, Silke Brossmann and Indrajit Chatterjee. The compensation committee operates pursuant to a compensation committee charter adopted by the board of directors. A copy of our compensation committee charter is attached to this annual report as Exhibit 99.2. The compensation committee is appointed and generally acts on behalf of the board of directors. The compensation committee is responsible for reviewing and approving annual salaries, bonuses and other forms and items of compensation for the senior officers and employees of our company. Except for plans that are, in accordance with their terms or as required by law, administered by our board of directors or another particularly designated group, the compensation committee also administers and implements all of our stock option and other stock-based and equity-based benefit plans (including performance-based plans), recommends changes or additions to those plans and reports to our board of directors on compensation matters. Our Chief Executive Officer does not vote upon or participate in the deliberations regarding his compensation.

Effective July 15, 2005, we formed a nominating and corporate governance committee. The nominating and corporate governance committee currently consists of Silke Brossmann, Dr. Shuming Zhao, Dr. Kelvin K. Yao and Indrajit Chatterjee. The nominating and corporate governance committee operates pursuant to a charter adopted by our board of directors. A copy of our nominating and corporate governance charter is attached to this annual report as Exhibit 99.3. The primary function of the nominating and corporate governance committee is to assist our board of directors in developing our approach to corporate governance issues and monitoring performance against the defined approach. The nominating and corporate governance committee is also responsible for the nomination of directors by identifying and reporting on candidates to be nominated to our board of directors.

D. Employees

As at March 15, 2007, we employed 1,074 people. At December 31, 2006, 2005 and 2004, we employed approximately 1,074, 847 and 726 people, respectively. Approximately 75% of the 468 employees of our subsidiary in Cologne, KHD Humboldt Wedag GmbH, are subject to a collective bargaining agreement.

E. Share Ownership

There were 14,753,191 common shares, 586,668 stock options and no share purchase warrants issued and outstanding as of March 15, 2007. Of the shares issued and outstanding on that date, our directors and officers owned the following common shares:

Name Office Held	Number of Common Shares Beneficially Owned	Percentage(1)	Number of Stock Options to Purchase Common Shares
Michael J. Smith Chairman, Chief Financial Officer, Secretary and Director	85,000	*%	55,000, exercise price of U.S.\$26.11, expiry date of May 17, 2016
James Busche(2) Chief Executive Officer and President	Nil	Nil	Nil
Dr. Shuming Zhao Director	Nil	Nil	Nil
Dr. Kelvin K. Yao Director	Nil	Nil	Nil
Silke Brossmann Director	Nil	Nil	Nil
Indrajit Chatterjee Director	Nil	Nil	Nil

* Less than one percent (1%)